

*Mr. Henry M. Catlin*  
*1437 Filbert*

TWENTY-EIGHTH

ANNUAL REPORT

OF THE

Board of Directors

OF THE

**Pennsylvania Railroad Co.**

TO THE

STOCKHOLDERS,

MARCH 9th, 1875.

PHILADELPHIA:

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DIRECTORS

OF THE

Pennsylvania Railroad Company

FOR THE

YEARS 1875 and 1876.



BY THE STOCKHOLDERS.

THOMAS A. SCOTT,	SAMUEL M. FELTON,
JOSIAH BACON,	ALEXANDER BIDDLE,
WISTAR MORRIS,	N. PARKER SHORTRIDGE,
JOHN M. KENNEDY,	HENRY M. PHILLIPS,
ALEXANDER J. DERBYSHIRE,	JOHN SCOTT, Pittsburgh.

BY THE CITY OF PHILADELPHIA.

GEO. MORRISON COATES,	ALEXANDER M. FOX,
WILLIAM ANSPACH.	

BY THE BOARD.

GEORGE B. ROBERTS,	EDMUND SMITH,	A. J. CASSATT.
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*President,*

THOMAS A. SCOTT,

*Vice-Presidents,*

GEORGE B. ROBERTS,	EDMUND SMITH,	A. J. CASSATT.
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*Assistants to the President,*

STRICKLAND KNEASS,	JOHN P. GREEN,	J. N. DUBARRY.
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*Treasurer,*

BAYARD BUTLER.

*Secretary,*

JOSEPH LESLEY.

*General Solicitor,*

WILLIAM J. HOWARD.



## ANNUAL MEETING.

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*Philadelphia, March 9, 1875.*

The Annual Meeting of the Stockholders of the Pennsylvania Railroad Company was held at 10 o'clock, A. M., at Musical Fund Hall.

The Hon. William S. Stokley, Mayor of Philadelphia, was called to the chair, and John P. Green was appointed Secretary.

The Secretary read the call of the meeting as follows :

“ OFFICE OF THE PENNSYLVANIA RAILROAD CO.

*Philadelphia, February 16, 1875.*

The Annual Meeting of the Stockholders of this Company will be held on Tuesday, March 9th, 1875, at 10 o'clock, A. M., at Musical Fund Hall, Locust Street above Eighth, Philadelphia.

The Annual Election for Directors will be held on Tuesday, March 23d, 1875, at the Company's General Office.

JOSEPH LESLEY, *Secretary.*”

The Annual Report of the President and Board of Directors for the year 1874 was read.

Mr. M. Hall Stanton offered the following resolution :

“ *Resolved*, That the Report of the Board of Directors for the year 1874 be, and the same is, hereby accepted and adopted, and that it be published in pamphlet form for the information of the stockholders, and that the Board of Directors be, and they are,

hereby authorized at their discretion to carry into effect the measures proposed in their report."

The resolution was adopted.

Mr. William A. Stokes offered the following resolutions contained in the report of the Committee of Investigation, presented to the special meeting of stockholders held on the third day of October, 1874:

"In order that the practical operations of this Company may be most successfully managed, its general interests most carefully protected, and its agents instructed in their proper duties, as well as to vindicate our just authority in the control of our own interests, we, the stockholders of the Pennsylvania Railroad Company, do hereby resolve:

"1. That as the source of all authority in the premises, we reserve to ourselves the whole legislative power of the Corporation which is involved in determining the general policy of the Company; the acceptance or refusal of all laws, whether general or special, of the General Assembly of the State of Pennsylvania which may affect our property, rights, or interests; all assumption of liabilities, either as to the leasing of railroads, guaranteeing the payment of the interest or principal of the bonds or other obligations of any other company; guaranteeing of another company's faithful performance of contract, or in any way binding the Company by obligations for or to other railroad corporations other than in the ordinary course of contracts required to be made for the proper management of the business of the road, and all other powers not hereinafter expressly committed to the Directors and Officers.

"2. That we confide to the wisdom and discretion of the Directors the executive functions of carrying out the policy, established from time to time by the shareholders, for managing the interests of the Company to the best possible advantage of its stockholders and



of the people of this State and of the country, as far as they may be affected by their action within the powers committed to them.

"3. That to enable them to do this the more perfectly, and to secure the necessary intelligence, independence, and responsibility in the Board for the good performance of their very responsible duties, we further instruct the Directors to procure the passage of a general law by the General Assembly of the State of Pennsylvania, providing for the election of Directors by the stock-holders of a railroad company, who may receive pay for their services, whenever judicial decisions may have so determined the intent and meaning of the seventeenth article of the new Constitution, that it contains nothing prejudicial to the interests of the Company, or whenever for other reasons the Company may accept any general or special law of the Legislature of the State of Pennsylvania, bringing the Company under and subject to the said seventeenth article. Such law, if obtained, to be submitted to the stockholders for their approval at the next following annual meeting.

"4. That if such an act is obtained and accepted by the stockholders of the Pennsylvania Railroad Company, there shall thereafter be selected from among the Directors elected by the stockholders at each annual meeting, four persons, three of whom shall be skilled in the construction or management of railways, and one of distinguished reputation for financial experience and skill,—one of the above named three shall be elected as President of the Company,—the details of duties being left to the direction of the Directors as a body.

"5. That to secure the nomination of suitable and properly qualified persons for the office of Directors, there shall be appointed at each annual meeting, as it may determine, a committee of seven stockholders of the Company, who shall select and nominate, after conferring with the President, ten persons, due regard being had to

their qualifications, for the office of Directors for the ensuing year; and that until the passage and acceptance of an act as above described, it shall be the further duty of said committee, after conferring with the President, to select the proper persons, not exceeding four in number, who shall be recommended for election by the Directors as Vice Presidents, in accordance with the present law, and that said committee shall publish the names of the persons so selected in not less than five daily newspapers of the city of Philadelphia, for six days previous to the day of election of such Directors.

“6. That in order that the stockholders may have time to examine the annual report, the Directors shall annually hereafter publish such report in at least three daily newspapers of the city of Philadelphia, one week before each annual meeting, and that such report shall be full and complete, embracing a statement of all the facts and results necessary to enable the stockholders to form a proper estimate of the value of their property and a correct judgment of the ability with which their interests have been taken care of by the Directors. That report shall include, not only the operations of the Main Line and Branches of the Pennsylvania Railroad, and of all Railroads leased and operated by this Company, but a sufficiently extended notice of the operations of all the Railroads which this Company directly or indirectly controls.

“7. That it shall further be the duty of the Board of Directors, at least annually, and oftener if required, or necessary, to recommend to the stockholders the adoption of such policy or such measures as in their judgment will promote the interests of the Company, with their reasons therefor. That they shall submit with each annual report, or oftener if required, for the approval of the shareholders, estimates for any extraordinary payments or expenses to be made or incurred on the main line or lines leased and directly operated

by your Company, and recommend how the money shall be raised to pay for the same.

“ 8. That they shall, at the time of making a semi-annual dividend, or at the intermediate six months of their fiscal year, publish a statement showing the gross receipts, expenses, and net revenues of the main line and branches of the Company operated by it, and showing the amount of net revenue applicable to a dividend.

“ 9. That the credit of this Company may be protected, the Directors are prohibited from incurring any floating debts in the form of bills payable or acceptances, except to meet, and then only for temporary use, expenses for improvements, enlargements, or betterments on the main line and the railroads of the United Companies of New Jersey; and are also prohibited, except by special permission of the stockholders, from loaning the credit of this Company to other companies, excepting such as may own roads controlled by this Company by lease or stock ownership. And further, that all powers or authority heretofore given to the Board, so far as they conflict with the language or the spirit of this resolution, are hereby revoked and annulled.

“ AND WHEREAS, The shareholders of the Pennsylvania Railroad Company are convinced that the placing of securities to the value of \$50,000,000 in the consolidated mortgage was unnecessary to give perfect security to the bonds to be issued under that mortgage, and that they do not add to the facility of sale nor to the marketable value of such bonds, and that the mortgage provides for bonds largely beyond any present prospective wants of the Company, and as their presence in this mortgage operates as a bar against the true policy of this Company, viz.: the reduction of the amount of bounded indebtedness and the payment of the floating debt: therefore

*“ Resolved, That the Directors be and are hereby instructed :—*

*“ 1. That the policy of the Company hereafter, in its relations to other companies now controlled by it, shall be—in all cases where it is important for the interests of the Pennsylvania Railroad Company—either to consolidate or effect leases on just terms to both parties, giving the preference to the plan so successfully adopted in many instances by your Company, of leasing roads to be worked at cost, thereby avoiding many complications, and further relieving your treasury from the necessity of holding large amounts of securities, which they are now compelled to keep, in order to retain control of the roads, thus at once releasing securities to the value of many millions of dollars which should be applied as hereinafter recommended.*

*“ 2. That the Directors be and are hereby instructed to conform rigidly to the provisions of the consolidated mortgage by appropriating the proceeds of such securities as are available for sale to the payment of all betterments, improvements, and real estate purchases, for the benefit of the mortgaged premises.*

*“ 3. That the Directors shall, from time to time, sell such available securities as may not be required to pay for betterments, &c., as above, the proceeds whereof shall be invested in the bonds of the Company, that they may be cancelled and the remaining securities the sooner released from the lien of the mortgages.*

*“ 4. That in our opinion, the policy above established will render unnecessary any further issue of bonds under that mortgage, without the formal approval of the stockholders first had and obtained, except the £5,000,000 already issued, or arranged to be issued, and the bonds appropriated under the mortgage to pay off existing bonds as they mature.*

“AND WHEREAS, the interests of your Company may be unfavorably affected by the presence of other stockholders in the Pennsylvania Company : therefore

“*Resolved*, That we recommend to the Directors to adopt such measures as will, in their judgment, secure to the Pennsylvania Railroad Company the absolute and exclusive control of the policy of the Pennsylvania Company.”

Mr. James Milliken moved that the debate be upon the resolutions as a whole, and be limited to five minutes for each speaker.

The motion was agreed to.

Mr. Daniel Steinmetz offered the following amendment :

“*Resolved*, Whilst we fully appreciate the great labor and ability which characterize the report of the committee of ‘Examination,’ we do not agree with them in the policy proposed by their ‘Resolutions’; but with entire confidence in the Board of Directors, that they will continue in the future the able management which they have shown in the past, the full direction of the interests of the Pennsylvania Railroad Company is confided to them without restriction or instruction, by this meeting.”

Mr. James Milliken offered the following amendment to the amendment :

“WHEREAS, The Board of Directors of the Pennsylvania Railroad Company have adopted many of the suggestions made by the Special Committee of the stockholders as set forth in their report presented at the Special Meeting held on the 3d of October, 1874 :

“AND WHEREAS, The Board announce in the Annual Report, that it is their purpose to adopt all the recommendations of that Committee that may be found of practical value to the Company ; therefore be it

“*Resolved*, That the Stockholders of the Pennsylvania Railroad

Company renew the expression of their thanks to said Special Committee, consisting of Messrs. William A. Stokes, William H. Kemble, A. Loudon Snowden, David E. Small, John S. Irick, William C. Longstreth and John A. Wright, for the full and comprehensive report submitted by them to the special meeting held October 3d, 1874, and that the said Committee be and they are hereby relieved from the further consideration of the subject.

“*Resolved*, That the said report, and the resolutions annexed thereto, be and the same are hereby referred to the incoming Board of Directors of the Pennsylvania Railroad Company, with instructions to carry out such of the said resolutions in whole or in part as, in their judgment, shall be for the best interests of the stockholders.”

Mr. Steinmetz withdrew his amendment, and Mr. Milliken then offered his resolutions as a substitute for the resolutions offered by Mr. Stokes.

The substitute was adopted.

The Chairman presented the following resolution which had been forwarded to his desk :

“*Resolved*, That the Board of Directors be authorized to change the mode of paying the dividends on the stock of the Pennsylvania Railroad Company, from semi-annually to quarterly—after the payment of the next semi-annual dividend.”

Mr. Charles H. T. Collis offered the following amendment :

“*WHEREAS*, It is of the utmost importance to this Company that its capital stock shall be divided amongst the largest possible number of individuals, so that a large number of the people of the Commonwealth may be personally interested in its prosperity.

“*AND WHEREAS*, Of the 18,000 shareholders of the Pennsylvania Railroad Company, a large majority are persons who depend upon their dividends to meet their current expenses of living, and there-



fore to receive them at short intervals, as they would do if they had invested in some other companies, will tend to keep them upon our lists and induce others to invest with us.

“AND WHEREAS, The payment of quarterly dividends cannot fail to enhance the value of these investments; therefore be it

“*Resolved*, That the Directors be requested to determine the legality and feasibility of dividing the profits of the Company every three months, and if the plan be found legal and practicable, they are hereby authorized and directed to declare quarterly dividends, after the payment of the ensuing May dividend.”

The amendment to the resolution was agreed to, and the resolution as amended adopted.

Mr. Thomas H. Dudley offered the following resolutions:

“*Resolved*, That the Chairman appoint a special committee of seven stockholders of this Company, to confer with the President of the Company for the purpose of selecting and nominating ten persons, due regard being had to their qualifications, for the office of Directors for the ensuing year, and that said committee publish the names of the persons so selected in not less than five daily papers of the City of Philadelphia, on or before the sixteenth day of March next, the election for said directors taking place on the twenty-third of March, at the office of the Company in Philadelphia, and that said Committee are further empowered to confer with the President in like manner on or before January 10th, 1876, for the purpose of nominating Directors to be chosen at the annual election in that year, whose names shall be published in not less than five daily papers of the City of Philadelphia for at least sixty days prior to the date of such election.

“*Resolved*, That the stockholders at each annual meeting are further recommended to appoint a like committee to confer as to the

names of the parties to be submitted for election as Directors, so that said names may be published in like manner for at least sixty days prior to such elections.

*“Resolved, That the committee selected for the nomination of a ticket for Directors, shall have power to fill any vacancies that may occur in their Committee.”*

The resolutions were adopted.

Mr. George S. Fox offered the following resolution :

“WHEREAS, the credit of this Company has been enhanced, and its stockholders and the public enlightened on its affairs by the exhaustive and able report of the Committee of Investigation, which consumed more than seven months of almost constant labor in its preparation, therefore be it

*“Resolved, That the Committee of Stockholders to be appointed by the Chairman of this meeting for the selection of Directors, be requested to confer with the members of the Investigating Committee, with power to take such action as would be, in their judgment, a proper recognition of their valuable services, and that the incoming Board be requested to carry out any recommendation that they may make.”*

The resolution was not adopted.

The Chairman announced the Committee under the resolution of Mr. Dudley, as follows :

MORTON McMICHAEL, *Chairman*,  
DANIEL STEINMETZ,  
ROBERT WHITAKER,  
CHAS. H. T. COLLIS,  
GUSTAVUS REMAK,  
D. B. CUMMINS,  
ALAN WOOD,



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Mr. Thomas A. Scott moved :

“ That the thanks of the meeting of stockholders be tendered to Hon. William S. Stokley for the courtesy and ability with which he has presided over its deliberations.”

The motion was unanimously agreed to.

On motion, adjourned.

WM. S. STOKLEY,

*Chairman.*

JNO. P. GREEN,

*Secretary*



# TWENTY-EIGHTH ANNUAL REPORT.

Office of the Pennsylvania Railroad Company.

*Philadelphia, March 9<sup>th</sup>, 1875.*

To the Shareholders of the

Pennsylvania Railroad Company.

Your Directors submit the following report of the operations of the Company for the year 1874:

## ALL LINES EAST OF PITTSBURGH AND ERIE.

The total earnings and expenses of your Main Line from Pittsburgh to Philadelphia, including Branch and Leased Lines, and from Philadelphia to New York, including the Delaware and Raritan Canal and Belvidere Delaware Railroad and Flemington Branch, and from the Philadelphia and Erie Railroad, were as follows:

### EARNINGS.

General freights,	-	-	-	-	-	\$24,715.41	15
Passengers,	-	-	-	-	-	8,252,678	43
Emigrant passengers,	-	-	-	-	-	229,582	13
Express matter,	-	-	-	-	-	632,022	24
Mails,	-	-	-	-	-	309,843	39
Miscellaneous,	-	-	-	-	-	835,352	70
Canal earnings (Delaware and Raritan Canal).	-	-	-	-	-	1,320,519	23
							<hr/>
							\$37,838,427 27

## EXPENSES.

*Excluding all Rentals.*

Conducting transportation, - - -	\$8,618,842 32	
Motive power, - - -	5,998,146 37	
Maintenance of cars, - - -	1,943,106 80	
Maintenance of road, - - -	5,173,434 31	
General expenses, - - -	509,802 77	
Canal expenses, (Del. and Raritan Canal), -	768,416 64	
		<u>\$23,011,749 21</u>
Leaving net earnings 1874, - - - -		\$14,374,678 06
Deduct rentals paid 1874.		
Philadelphia and Erie Railroad Company, -	\$1,068,786 27	
Belvidere Delaware Railroad Company, -	442,000 11	
Other Branch Roads connecting with the Main Line between Philadelphia and Pittsburgh,	543,928 87	
		<u>\$2,054,715 25</u>
Net earnings after paying rentals, - - -		\$12,319,962 81
Net earnings 1873, - - - -	\$13,199,551 55	
Deduct rentals paid 1873, Phila- delphia and Erie Railroad Company, - - -		
	428,756 36	
Belvidere Delaware Railroad Company, - - -		
	322,310 11	
Other Branch Roads, - - -	571,450 80	
	<u>\$1,322,517 27</u>	
		<u>11,877,034 28</u>
Increase net earnings, Pittsburgh to New York, 1874, -	\$442,928 53	
" " " Philadelphia and Erie Railroad, 1874,	640,029 91	
" " " Belvidere Delaware Railroad, 1874, -	119,690 00	
Actual increase net earnings all lines east of Pittsburgh, 1874,		<u><u>\$1,202,648 44</u></u>

## ALL LINES WEST OF PITTSBURGH.

The total earnings and expenses of the lines west of Pittsburgh, operated by the Pennsylvania Company or controlled through other organizations in the interests of your Company, for the year 1874, were:

Gross earnings,	-	-	-	-	-	\$25,551,923 99
“ expenses, excluding rentals,	-	-	-	-	-	16,410,896 08
Net earnings 1874,	-	-	-	-	-	<u>\$9,141,027 91</u>
Deduct rentals and interest,	-	-	-	-	-	8,296,689 48
Net profit 1874,	-	-	-	-	-	<u><u>\$844,338 43</u></u>

## SUMMARY OF LINES EAST AND WEST OF PITTSBURGH :

Gross earnings all lines, 1874,	-	-	-	-	\$62,938,351 26
“ expenses, excluding rentals, interest, dividends, &c.,	-	-	-	-	39,422,645 29
Net earnings,	-	-	-	-	<u><u>\$23,515,705 97</u></u>

## MAIN LINE.

The revenues and expenses of your Main Line between Philadelphia and Pittsburgh, with the following branches—East Brandywine and Waynesburg Railroad, Pennsylvania and Delaware Railway, Columbia Bridge, York Branch, Mifflin and Centre County Railroad, Sunbury and Lewistown Railroad, Bedford and Bridgeport Railroad, Tyrone and Clearfield Railway, Bald Eagle Valley Railroad, Hollidaysburg Branch and Morrison’s Cove Railroad, Newry Railroad, Ebensburg and Cresson Railroad, Indiana Branch, Western Pennsylvania Railroad, Southwest Pennsylvania Railway, Lewisburg, Centre and Spruce Creek Railroad, and Danville, Hazleton and Wilkesbarre Railroad—during the year 1874, were as follows :

**EARNINGS.**

From general freights,	-	-	-	\$17,227,504	69
“ passengers, first class,	-	-	-	4,107,752	17
“ “ emigrant,	-	-	-	151,135	51
“ express matter,	-	-	-	373,544	82
“ mails, -	-	-	-	193,610	14
“ miscellaneous, -	-	-	-	588,824	02
				<u>\$22,642,371</u>	<u>35</u>

**EXPENSES.***Excluding Rentals.*

For conducting transportation,	-	-	-	\$4,635,129	32
“ motive power, -	-	-	-	3,535,352	22
For maintenance of cars,	-	-	-	\$1,256,452	76
“ “ road,	-	-	-	2,859,373	06
For general expenses,	-	-	-	415,210	84
				<u>12,701,518</u>	<u>20</u>
Leaving net earnings 1874. -	-	-	-	\$9,940,853	15
Deduct rentals paid branches,	-	-	-	543,928	87
Net earnings, after paying rentals, -	-	-	-	<u>\$9,396,924</u>	<u>28</u>

The net earnings Pennsylvania Railroad and Branches for

1874, as above stated, were	-	-	-	\$9,396,924	28
Those of 1873 were	-	-	-	9,445,703	74
Showing a decrease in net earnings, 1874,	-	-	-	<u>\$48,779</u>	<u>46</u>

The gross earnings in 1874 were	-	-	-	\$22,642,371	35
And in 1873 were	-	-	-	24,886,008	90

Showing a decrease in gross earnings,	-	-	-	<u>\$2,243,637</u>	<u>55</u>
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The gross expenses in 1874 were	-	-	-	\$13,245,447	07
And for 1873, -	-	-	-	15,440,305	16

Showing a decrease in gross expenses,	-	-	-	<u>\$2,194,858</u>	<u>09</u>
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Of the above earnings there was received from the 358 miles of Main Line—

In 1874 (56,702 $\frac{4}{100}$ per mile of road),	-	-	-	\$20,299,330 88
In 1873 (62,314 $\frac{19}{100}$ per mile of road),	-	-	-	22,308,481 68
				<hr/>
Showing a decrease from Main Line,	-	-	-	\$2,009,150 80
				<hr/>

And from the Branch Lines leased and owned by the Pennsylvania Railroad Company, excepting the Philadelphia and Erie Railroad and United Railroads of New Jersey:—

In 1874, 519 miles in length,	-	-	-	\$2,343,040 47
In 1873, 511 miles in length,	-	-	-	2,577,527 22
				<hr/>
Showing a decrease from Branches,	-	-	-	\$234,486 75
				<hr/>

The gross earnings of branch lines operated by your Company in 1874, as already stated, were	-	-	-	\$2,343,040 47
The expenses of operating them, including rents of the leased branches, were	-	-	-	2,231,969 76
				<hr/>
Showing a net direct profit of	-	-	-	\$111,070 71
				<hr/>

The sources of revenue in 1874, compared with those of 1873, show as follows :

					<i>Increase.</i>	<i>Decrease.</i>
From general freights -	-	-	-	-	-	\$2,381,050 38
From passengers, first class,	-	-	-	-	-	61,389 80
From passengers, emigrant,	-	-	-	-	-	79,393 98
From express matter, -	-	-	-	-	-	76,696 58
From mails, -	-	-	-	-	\$35,322 64	
From miscellaneous, -	-	-	-	-	319,570 55	
<hr/>						
Total net decrease, as above, -	-	-	-	-	-	\$2,243,637 55
<hr/>						

The expenses in 1874, compared with those of 1873, show as follows :

				<i>Increase.</i>	<i>Decrease.</i>
For conducting transportation,	-	-	-	-	\$485,082 38
For motive power, -	-	-	-	-	688,178 31
For maintenance of cars,	-	-	-	-	669,642 77
For maintenance of road,	-	-	-	-	387,459 14
For general expenses,	-	-	-	\$35,504 51	
Total net decrease, as above,	-	-	-	-	<u>\$2,194,858 09</u>

The whole number of passengers carried in 1873 was 5,879,684, and in 1874 was 6,088,103, showing an increase of 208,419.

The average distance travelled by each passenger was  $28\frac{7}{10}$  miles, being  $1\frac{48}{100}$  less than in 1873.

The number of tons of freight moved (including 491,473 tons of fuel and other materials for the Company's use), was 9,118,419 tons, embracing 4,209,337 tons of coal.

It was the previous year 9,998,791 tons, showing a decrease of 880,372 tons or about  $8\frac{8}{10}$  per cent. The decrease in coal tonnage was 318,164 tons.

The actual cost of operating your Railroad including Branch Lines in 1874 was  $58\frac{49}{100}$  per cent. of receipts, and excluding Branch Lines,  $54\frac{25}{100}$  per cent. of receipts.

The net earnings of the Pennsylvania Railroad between Philadelphia and Pittsburgh, and Branches, as already stated, were - - \$9,396,924 28  
To which add interest and dividends received

from Investments, &c., -	-	-	\$4,305,015 96	
Less interest paid on bonds of the Company,				
floating debt, &c., -	-	-	2,514,459 86	
			<u>1,790,556 10</u>	
				<u>\$11,187,480 38</u>



From which deduct two semi-annual dividends

of 5 per cent. or 10 per cent. per annum, - \$6,779,688 12

Rent of Harrisburg and Lancaster Railroad, - 132,572 94

State taxes, - - - - - 615,725 83

Instalments paid to the State of Pennsylvania

on account of principal and interest of

purchase of the Main Line of Public

Works, which has thus been reduced from

\$7,500,000 the amount of original pur-

chase, to \$5,201,675.41, all of which has

been paid from the net earnings of the

Railroad, - - - - - 460,000 00

7,987,986 89

Leaving a surplus net profit for 1874, of - - - \$3,199,493 49

#### THE UNITED RAILROADS OF NEW JERSEY.

The earnings of the United Railroads of New Jersey and Branches, and of the Philadelphia and Trenton Railroad, in all 276 miles of road, were in 1874 :

From general freights, - - - \$3,713,597 78

" passengers, first class, - - - 4,427,176 14

" " emigrant, - - - 77,021 83

" express, - - - 270,251 03

" mails, - - - 68,121 14

" miscellaneous, - - - 144,801 44

\$8,700,969 36

#### EXPENSES.

For conducting transportation, - - - \$2,934,291 53

" motive power, - - - 1,589,626 21

" maintenance of cars, - - - 370,155 62

" " road, - - - 1,291,368 13

" general expenses, - - - 94,591 93

\$6,330,033 42

Leaving net earnings 1874, - - - \$2,370,935 94

The sources of revenue in 1874, compared with those of 1873 show as follows:

					<i>Increase.</i>	<i>Decrease.</i>
From freights,	-	-	-	-	\$315,366 39	
“ passengers,	-	-	-	-		\$155,924 40
“ express,	-	-	-	-		1,614 17
“ mails,	-	-	-	-	18,610 07	
“ miscellaneous,	-	-	-	-	7,791 54	
Total increase,	-	-	-	-	<u>\$184,229 43</u>	

The expenses in 1874, compared with those of 1873, show as follows:

						<i>Decrease.</i>
For conducting transportation	-	-	-	-	-	\$249,619 40
“ motive power,	-	-	-	-	-	97,750 54
“ maintenance of cars,	-	-	-	-	-	64,734 76
“ “ road,	-	-	-	-	-	46,101 99
“ general expenses,	-	-	-	-	-	3,947 94
						<u>\$462,154 63</u>

The whole number of passengers carried in 1874 was 7,837,317, and in 1873 was 8,003,043, showing a decrease of 165,726, or about 2 per cent.

The average distance travelled by each passenger was  $21\frac{1}{10}$  miles, being  $\frac{2}{10}$  of a mile more than in 1873.

The number of tons of freight moved (including 190,424 tons of fuel and other material for the Company's use), was 3,467,952 tons, embracing 1,521,474 tons of coal.

It was the previous year 3,051,577 tons, showing an increase of 416,375 tons, or about  $13\frac{6}{10}$  per cent.

The actual cost of operating the United Railroads of New Jersey, including Branches, deducting transit duties, rent of Connecting Railway, and interest on property, and excluding Belvidere Division, in 1874, was  $69\frac{2}{10}$  per cent. of the receipts.

## BELVIDERE DELAWARE RAILROAD.

The earnings of the Belvidere Delaware Railroad, 68 miles, and the Flemington Branch, 12 miles, were in 1874:

From general freights, -	-	-	-	\$1,001,502 43
" passengers, -	-	-	-	197,972 23
" express matter, -	-	-	-	4,123 70
" mails, -	-	-	-	6,274 24
" miscellaneous, -	-	-	-	5,775 45
				<u>\$1,215,648 05</u>

## EXPENSES.

For conducting transportation, -	-	-	\$242,928 83
" motive power, -	-	-	183,614 78
" maintenance of cars, -	-	-	100,438 14
" " road, -	-	-	246,666 19
			<u>\$773,647 94</u>

Showing balance to credit of Belvidere Delaware Railroad and

Flemington Branch, for 1874, - - - \$442,000 11

Deduct interest on bonded and floating debt, taxes, &c., paid

by H. B. Ely, Treasurer, Trenton, - - - 246,637 49

Net earnings, - - - \$195,362 62

The sources of revenue in 1874, compared with those of 1873, show as follows:

					<i>Increase.</i>	<i>Decrease.</i>
From freights, -	-	-	-	-	\$63,274 13	
" passengers, -	-	-	-	-	2,751 61	
" express matter, -	-	-	-	-	149 63	
" mails, -	-	-	-	-	515 26	
" miscellaneous, -	-	-	-	-	734 66	
					<u>\$67,425 29</u>	
Total increase, -	-	-	-	-		

The expenses of operating the same, compared with 1873, show as follows:

	<i>Increase.</i>	<i>Decrease.</i>
Conducting transportation, - - - -		\$6,027 57
Motive power, - - - -		26,674 49
Maintenance of cars, - - - -	\$26,751 54	
Maintenance of road, - - - -		46,314 19
Decrease in expenses, 1874, - -		<u>\$52,264 71</u>

The whole number of passengers carried in 1874 was 414,480, and the average distance travelled by each was  $16\frac{7}{10}$  miles.

The number of tons of freight moved (including 16,675 tons of fuel and other materials for the Company's use) was 1,473,953, embracing 1,311,696 tons of coal.

It was last year 1,444,573 tons, showing an increase of 29,380 tons, or  $2\frac{0.3}{100}$  per cent.

The actual cost of operating the Belvidere Delaware Railroad, including Flemington Branch, in 1874, was  $63\frac{6.4}{100}$  per cent. of its receipts.

#### DELAWARE AND RARITAN CANAL.

The earnings of the Delaware and Raritan Canal in 1874 on 44 miles of Canal and 17 miles of feeder, were:

From tolls, - - - -	\$866,093 21	
From steam towing, - - - -	440,180 00	
From miscellaneous, - - - -	14,246 02	
	<u></u>	\$1,320,519 23

#### EXPENSES.

For maintenance of canal, - - -	\$179,973 18	
" canal operation (including \$46,793 $\frac{8.2}{100}$ of drawbacks), - - -	210,225 09	
" steam towing, - - -	378,218 37	
	<u></u>	\$768,416 64
Leaving net earnings, 1874, - - -		552,102 59
Showing a decrease in net earnings, 1874, - - -		<u>\$154,676 07</u>

The number of tons of freight moved was 2,308,671 tons, embracing 1,548,303 tons of coal.

It was last year  $2,754,837\frac{638}{2240}$  tons, showing a decrease of  $446,166\frac{638}{2240}$  tons or about  $16\frac{2}{10}$  per cent.

The actual cost of operating your Canal was  $58\frac{19}{100}$  per cent. of its receipts.

The earnings of the Philadelphia and Trenton Railroad and Branches 38 miles, and of the United Railroads of New Jersey and Branches 238 miles, Belvidere Delaware Railroad 68 miles, and Flemington Branch 12 miles, and the Delaware and Raritan Canal 61 miles including feeder, in 1874, were as follows:

Gross earnings United Railroads of New Jersey Division, -	\$8,700,969 36
“ “ Delaware and Raritan Canal, - - -	1,320,519 23
Total, - - - - -	<u>\$10,021,488 59</u>
Gross expenses United Railroads, - - -	\$6,330,033 42
“ “ Delaware and Raritan Canal, 768,416 64	<u>7,098,450 06</u>
Net earnings from operation of lines, - - - -	\$2,923,038 53
Amount received from investments United Railroads, -	239,614 30
Amount of earnings received from Belvidere Delaware Railroad Company, - - - - -	<u>195,362 62</u>
	\$3,358,015 45
Amount paid account of dividends, interest, organizations, &c., United Railroads of New Jersey, - - -	<u>3,389,176 45</u>
Loss in operating United Railroads and Canal, - - -	<u>\$31,161 00</u>
The net profit of the Pennsylvania Railroad after paying interest and dividends, &c., as before stated, was - - -	\$3,199,493 49
From which deduct loss on New Jersey Railroads, - - -	<u>31,161 00</u>
Leaving as surplus net profit on the whole line from New York to Pittsburgh, after providing for a ten per cent. dividend and interest, &c., - - - - -	<u><u>\$3,168,332 49</u></u>

## PHILADELPHIA AND ERIE RAILROAD.

The earnings of the Philadelphia and Erie Railroad in 1874 were:

From freights, - - - -	-	\$2,772,813 25
“ passengers, - - - -	-	527,910 68
“ express matter, - - - -	-	38,102 69
“ mails, - - - -	-	41,640 87
“ miscellaneous, - - - -	-	126,451 79
Total, - - - -	-	<u>\$3,506,919 28</u>

Or about \$12,176 $\frac{80}{100}$  per mile of road.

## EXPENSES.

For conducting transportation, - - -	\$756,492 64
“ motive power, - - -	689,553 16
“ maintenance of cars, - - -	216,060 28
“ maintenance of road, - - -	776,026 93
	<u>\$2,438,133 01</u>
Showing balance to credit of Philadelphia and Erie Railroad Company, - - -	- \$1,068,786 27
Net earnings 1873, - - -	- 428,756 36
Increase net earnings 1874, - - -	- <u>\$640,029 91</u>

The sources of revenue in 1874, compared with those of 1873, show as follows:

	<i>Increase.</i>	<i>Decrease.</i>
From freights, - - - -	-	\$269,992 75
“ passengers, - - - -	-	104,709 62
“ express matter, - - - -	-	3,086 41
“ mails, - - - -	\$10,892 46	
“ miscellaneous, - - - -	31,748 40	
Net decrease, - - - -	-	<u>\$335,147 92</u>

The expenses in 1874, compared with those of 1873, show as follows :

	<i>Increase.</i>				<i>Décrease.</i>
For conducting transportation,	-	-	-	-	\$115,764 35
“ motive power,	-	-	-	-	273,228 33
“ maintenance of cars,	-	-	-	-	182,329 75
“ “ road,	-	-	-	-	403,855 40
Total decrease,	-	-	-	-	\$975,177 83

The whole number of passengers carried in 1873 was 777,273, and in 1874, 680,163, showing a decrease of 97,110, or about 12½ per cent.

The average distance travelled by each passenger was  $25\frac{2}{10}$  miles being  $1\frac{4}{10}$  miles less than in 1873.

The number of tons of freight moved (including 146,207 tons of fuel and other materials for the Company's use), was 2,389,377, embracing 800,936 tons of coal.

It was last year 2,356,234 tons, showing an increase of 33,143 tons, or over  $6\frac{5}{10}$  per cent.

The actual cost of working the Philadelphia and Erie Railroad in 1874 was  $69\frac{52}{100}$  per cent. of receipts.

The following table shows the average earnings from freight and passenger traffic, and the cost of moving it per net ton and per passenger per mile on each of the railways worked by the Pennsylvania Railroad Company.

NAME OF RAILROAD.	Average cost of transporting each passenger per mile.	Average earnings from each passenger per mile.	Profit on each passenger per mile.	Average cost of transporting each ton of freight per mile.	Average earnings of transporting each ton of freight per mile.	Average profit in transporting each ton of freight per mile.	Length of Railroad.
Pennsylvania R. R. & Br...	1 $\frac{60}{100}$	2 $\frac{43}{100}$	0 $\frac{83}{100}$	0 $\frac{719}{1000}$	1 $\frac{255}{1000}$	0 $\frac{536}{1000}$	877
New Jersey Lines.....	1 $\frac{63}{100}$	2 $\frac{72}{100}$	1 $\frac{07}{100}$	1 $\frac{767}{1000}$	2 $\frac{084}{1000}$	0 $\frac{317}{1000}$	293
Belvidere Delaware R. R....	2 $\frac{63}{100}$	2 $\frac{85}{100}$	0 $\frac{22}{100}$	0 $\frac{828}{1000}$	1 $\frac{403}{1000}$	0 $\frac{570}{1000}$	80
Philadelphia & Erie R. R....	2 $\frac{92}{100}$	3 $\frac{07}{100}$	0 $\frac{15}{100}$	0 $\frac{657}{1000}$	0 $\frac{941}{1000}$	0 $\frac{284}{1000}$	288

The foregoing statements taken from the records of the Company show in the simplest possible form the earnings and expenses of your lines, and the revenues derived from the various roads and interests of the Company. The general depression in the business of the country continued during the whole of 1874. The result as shown upon the traffic of the lines, has been a diminution in the tonnage of the Main Road of 880,372 tons, being a decrease of 8 $\frac{8}{10}$  per cent. as compared with the traffic moved in 1873, and a consequent reduction in revenue. Large reductions have however been made in the expense of maintaining and operating your lines, thus enabling your Board of Directors to present results which they trust will be satisfactory to every shareholder.

It will be seen that from the net earnings of the lines owned and operated by your Company east of Pittsburgh and Erie, through to New York, including the Delaware and Raritan Canal, and from the income derived from securities and other assets of your Company, the total amount after paying working expenses that was available for interest, rentals and dividends was \$19,114,670.94, as follows:



Net earnings Pittsburgh to New York, including Philadelphia and Erie Railroad, Branch Lines, and Delaware and Raritan Canal, - - - - -	\$14,374,678 06	
Interest and dividends received from investments Pennsylvania Railroad Company, -	4,305,015 93	
Interest from investments received with the lease of the United Railroads and Canal of New Jersey, - - - - -	239,614 30	
Earnings received from Belvidere Delaware Railroad Company after paying interest, &c., - - - - -	<u>195,362 62</u>	
Total amount available for rentals, interest, and dividends, -	\$19,114,670 94	
Out of which have been paid :		
Interest on bonded and floating debt Pennsylvania Railroad Company, - - -	\$2,514,459 86	
Rental paid Philadelphia and Erie Railroad, -	1,068,786 27	
Rental paid Belvidere Delaware Railroad, -	442,000 11	
Branch Roads connected with the Main Line Pennsylvania Railroad, - - -	543,928 87	
Rent Harrisburgh and Lancaster Railroad, -	132,572 94	
Dividends and interest, &c., paid on account of lease of United Railroads and Canal of New Jersey, - - - - -	3,389,176 45	
Taxes paid State of Pennsylvania, - -	615,725 83	
Paid State of Pennsylvania on account purchase of Main Line, - - - -	460,000 00	
Two semi-annual dividends on Pennsylvania Railroad stock, 5 per cent. each, May and November, 1874, - - - - -	<u>6,779,688 12</u>	\$15,946,338 45
Leaving surplus net profit as before stated of, - -	-	\$3,168,332 49
which has been transferred to profit and loss account.		
Surplus net profits from the same sources in 1873, - -	-	<u>1,513,077 44</u>
being an increase over 1873 of - - - -	-	<u>\$1,655,255 05</u>

The actual earnings from freight on

your Main Line have been	-	1.255	cents per ton per mile.
The cost of moving it,	-	.719	“ “

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Showing a net earning of	-	.536	“ “
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The average earnings from freight traffic in 1873, were 1.41 cents per ton per mile, from which it will be seen that the public have received the whole benefit of the reduction to this low average charge for 1874.

The average earnings from freight on

the New Jersey Line, have been	-	2.084	cents per ton per mile.
The cost of transportation,	-	1.767	“ “

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Showing a net profit,	-	.317	“ “
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The average earnings from freight on

Belvidere and Delaware Division			
have been	-	1.431	“ “
The cost of movement,	-	.828	“ “

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Giving a net profit of	-	.603	“ “
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The average earnings from the Phila-

delphia and Erie Division have			
been	-	.941	“ “
The cost of transportation,	-	.657	“ “

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Showing a net earning of	-	.284	“ “
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These results in the cost of transportation of freights will, we think, compare most favorably with those of any line in this country or elsewhere. They are due first, to the large volume of traffic moved and second, to the great economies consequent upon so much of your Main Line being laid with steel rails, the possession of first class equipment by all your roads, and the general reductions that have

taken place in working expenses, especially in the cost of material and supplies used by your Company. It is hoped that with the revival of business, which would give a greatly increased volume of trade, these results may be maintained in the future.

By reference to the report of the General Manager it will be found that there had been laid during the year on your Main Line 10,422 tons of steel rails, and on the several branches and sidings 827 tons, all of which have been charged to operating expenses. Up to the 1st of January 1875, there had been laid in the main tracks of your Main Line 76,320 tons, or 725 miles of steel rails; in main tracks of Branch Roads 1,584 tons, and in third and fourth tracks and sidings on your Main Line and Branches 6,887 tons, being a total of 84,791 tons of steel rails now in use. During 1875 there will be laid a sufficient amount in addition to complete the entire double track of your Main Line from Philadelphia to Pittsburgh.

During the summer of 1875 a new iron double track bridge will be completed across the Delaware River at Trenton, and a double roadway with iron superstructure at the same point. This will add greatly to the facilities of the transportation department.

The total freight traffic carried between Pittsburgh

and Philadelphia in 1874, was        -        -        9,118,419 tons

The total freight traffic carried between Pittsburgh

and Philadelphia in 1873, was        -        -        9,998,791    "

Showing a decrease in 1874 of        -        -        880,372 tons

or  $8\frac{8}{10}$  per cent. This decrease has been on westward bound through traffic, and in local traffic both east and west; the through eastward traffic having increased nearly 22 per cent.

The United Railroads of New Jersey show an increase in freight tonnage moved of  $14\frac{8}{10}$  per cent., which is mainly due to the large increase in through and local business eastward.

The Delaware and Raritan Canal shows a decrease

in net earnings of	-	-	-	-	\$154,676 07
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caused largely by a falling off in coal, lumber and other heavy traffic consequent upon the depressed condition of trade. Notwithstanding this it will be noted that the United Railroads and Canal of New Jersey show very gratifying results as compared with those of 1873, having met every liability under the lease except \$31,161, while in 1873 the net loss under the lease was \$685,689.70.

The passenger traffic of your Main Line shows an average reduction of  $1\frac{4}{10}\frac{2}{10}$  per cent. in the number of miles travelled as compared with 1873, the first class and emigrant business showing a decrease, and the commutation and local business a gratifying increase. The latter is also the case on the New Jersey Division.

The expenditures for construction and equipment on your Main

Line between Pittsburgh and New York in 1873, were	-	\$10,906,155 00
In 1874, were	-	3,430,498 33
Showing a reduction of	-	\$7,475,656 67

The advances for construction to Branch and Auxiliary Lines

in 1873, were	-	\$4,580,941 33
In 1874, were	-	1,177,686 66
Showing a reduction of	-	\$3,403,254 67

The amount estimated as needful for construction and equipment purposes in 1875, to complete works now in progress, and fulfil engagements made with Branch and Connecting Roads, will be:

On your Main Line and New Jersey Divisions, including Delaware and Raritan Canal,	-	\$1,911,800 00
For completion of the Columbia and Port Deposit Railroad;		
advances to the Philadelphia and Erie Railroad, to Branch Roads, and other auxiliaries to your Main Line,	-	1,288,200 00
Making the total amount required,	-	\$3,200,000 00

The Report of the Pennsylvania Canal Company shows greatly improved results for the year 1874.

The net results for the year being	-	-	-	-	\$147,745 20
The expenditures over receipts in 1873, were	-	-	-	-	317,396 13
Showing a gain for 1874 of	-	-	-	-	<u>\$465,141 33</u>

The coal properties in which your Company is interested show satisfactory results. The Report of the Susquehanna Coal Company for 1874 shows—

Gross earnings, -	-	-	-	-	-	\$1,304,165 08
Expenses, -	-	-	-	-	-	918,276 29
Net earnings, 1874, -	-	-	-	-	-	<u>\$385,888 74</u>
Net earnings, 1873, -	-	-	-	-	-	<u>300,079 28</u>

Showing a gain in net earnings over 1873 of - - \$85,809 46

The Summit Branch and Lykens Valley Companies show the following results:

Gross earnings, -	-	-	-	-	-	\$1,811,689 55
Expenses, -	-	-	-	-	-	1,599,304 90
Net earnings, 1874, -	-	-	-	-	-	<u>\$212,384 65</u>
Net earnings, 1873, -	-	-	-	-	-	<u>333,398 70</u>

Showing a decrease in net earnings for 1874 of - - \$121,014 05

This decrease is owing to decreased production, and to expenditures made on the property to place it in condition for delivering an increased tonnage when trade improves.

The coal properties owned by your Company, or in which it is interested, in the Shamokin and other regions, show the following results for 1874:

Gross earnings, -	-	-	-	-	-	\$697,309 06
Expenses, -	-	-	-	-	-	624,814 74
Net earnings for 1874, -	-	-	-	-	-	<u>\$72,494 32</u>
Net earnings for 1873, -	-	-	-	-	-	<u>51,056 61</u>
Showing a gain over 1873 of	-	-	-	-	-	<u>\$21,435 71</u>

The expenditures upon these properties have been very large, with the view of getting them into condition to yield greatly increased tonnage and revenue.

It is the purpose of your Company to reorganize all their coal interests and place them under such form of organization as, it is hoped, during the current and succeeding years will secure the most efficient economical working results, and greatly improved returns from these investments.

On the completion of the reorganization of your Company June 1 1874, the floating debt was	-	-	-	\$6,828,450 00
Of this amount there has been paid during the year,				2,688,450 00
Reducing the same December 31, 1874, to			-	\$4,140,000 00

It is proposed by your Board that the entire floating debt of your Company shall be paid off during 1875, by disposing of securities that are no longer of value for the purpose of controlling the roads by which they were issued.

A negotiation under date May 7, 1874 was concluded for the sale of three millions of pounds sterling of the consolidated 6 per cent. bonds of your Company for the purpose of providing for the construction expenditures of 1874, meeting the second mortgage bonds of your Company maturing March 31, 1875, and other obligations existing at the time of the negotiation. Your Board take great pleasure in stating that these bonds were recently placed upon the London market, and that the whole amount was immediately taken; and the second mortgage bonds are now being paid at par, with accrued interest to date of presentation.

The dividend scrip issued in December 1873, maturing March 6, 1875, is also now being paid with its accrued interest to date of presentation.

Under the consolidated mortgage of July 1, 1873, your Board of Directors disposed of £2,000,000 of bonds in 1873, and of £3,000,000 in 1874. Of the latter however, only £1,000,000 was paid for in 1874, leaving the remaining £2,000,000 to be paid for during 1875. The discount on all of the bonds of your Company that have been sold and paid for previous to January 1, 1875, has been charged to Profit and Loss.

Annexed to this report will be found the General Account of the Treasurer, from which much valuable information may be obtained in relation to the financial condition of the Company. The securities owned by your Company, the par value of which is \$90,629,185, as will be seen by reference to this account of the Treasurer, represent a cost of \$68,542,568.78. Although these securities if forced on the market could not be made to yield in the aggregate the amount at which they stand charged, your Board of Directors have preferred to let them remain on the books at their cost, holding the amounts to the credit of the Contingent Fund and Profit and Loss (\$11,021,643,) as a margin to cover any possible depreciation in their value in the future. The interest received from these securities during the year 1874 was at the rate of about five per cent. per annum upon their cost, the remainder of the interest account being the amounts accrued on sundry open accounts that were settled during the year.

Your Board have closed many of the open accounts that were standing on the books of your Company. The item of bills and accounts receivable, of \$25,979,087.14, in the Treasurer's account for 1873, has thus been reduced to \$11,166,098.99, and your Company is now in possession of bonds, stocks, obligations and cash, to represent such reduction. They hope to be able during the present year to adjust a number of accounts that are yet outstanding.

During the past year the line of railroad extending from Wrights-



ville to York, thirteen miles, known as the Wrightsville, York and Gettysburg Railroad, has become a part of your property. The capital stock and bonds of the original corporation, all of which belonged to your Company by purchase, were cancelled and destroyed, and 6000 shares of the capital stock of the Pennsylvania Railroad Company, amounting at par to \$300,000, were issued in exchange for them, and are now held by your Company.

Your Company being the owner of eight million dollars of preferred stock of the Pennsylvania Company, it was deemed wise by your Board to purchase the remaining stock, which had been issued at par to the Union R. R. and Transportation Company in purchase of their car equipment at its appraised value, and an arrangement was finally consummated by which the holders thereof should receive bonds of the Pittsburgh, Cincinnati and St. Louis Railroad Company, owned by your Company, in exchange for their stock, par for par. Nearly all these stockholders have accepted this arrangement, and it is presumed the owners of the few shares still outstanding will do so, thus giving your Company the entire control of the stock, and placing them in condition to carry out any policy that may be found best for your interests. It will be observed from the tabular statement made relative to the lines west of Pittsburgh, that the net results, after paying all lease and other rentals, interest upon bonded obligations, and liabilities of every nature and kind, for working expenses and operations of the lines, show a surplus profit of \$844,338.43; which sum is more than seven per cent. on the entire capital stock of the Pennsylvania Company.

During the year a change occurred in the management of the Northern Central Railway Company. Mr. J. D. Cameron, who had been President for many years, having tendered his resignation, it was, upon consultation, thought best that the President of your Company should accept that position, and a reorganization was ac-



cordingly effected December 8, 1874. In connection therewith it became necessary to revise the working departments of the Baltimore and Potomac Railroad Company, which has also been done. As the roads of these Companies are both important auxiliaries to your Main Line, and are controlled by your Company, it was deemed advisable to extend the general system of your Company and the control of your general officers over them, and thus secure the greatest economy in working, and the best possible facilities to the public.

The amount due from the Richmond and Danville Railroad Company standing in open account on the books of your Company on July 1, 1874 was \$370,000.00. In order to provide that Company with some iron rails, and the funds necessary to meet part of its outstanding obligations, your Board deemed it wise to aid it to the extent of \$430,000, making in the aggregate, \$800,000, for which this Company has received one million of dollars of consolidated mortgage bonds of that Company, bearing six per cent. gold interest. It is believed that Company is now in good condition, and with its control of roads south of its terminus, and the satisfactory arrangements that now exist with other lines for interchange of business, that it will be able to attract sufficient traffic to enable it to pay the interest on its bonded obligations, rentals and other liabilities; and ultimately become of considerable importance to the lines north of its terminus at Richmond, which your Company control, via Washington to Philadelphia, and via the Northern Central to the North and West.

Mr. William Phillips, the President of the Allegheny Valley Railroad Company, died April 14, 1874. The vacancy caused by his death was filled by the election of Mr. John Scott of Pittsburgh. It was then ascertained that the floating indebtedness of that Company was very large and that it had no adequate means of providing therefor. Several meetings of its creditors were held

and finally an arrangement was perfected by which that Company created a new mortgage to secure ten millions of dollars of 7 per cent. income bonds, out of which the creditors are to receive at par the amount of indebtedness with interest to the first of October, 1874. To effect this arrangement with the creditors other than the Pennsylvania and the Philadelphia and Erie Railroad Companies, it became necessary that these and the Northern Central Railway Company should agree to set apart ten per cent. of the revenue to be derived from freight traffic to and from the Allegheny Valley Road, and apply the same through trustees to the payment of the interest upon the bonds taken by such creditors. After full consideration by the several companies, this was believed to be a judicious arrangement, in order to prevent the Allegheny Valley Railroad Company from going into bankruptcy, and to preserve the line and its traffic to the Philadelphia and Erie, Northern Central, and Pennsylvania Railroads—as the several companies owning these roads had, a number of years since, become endorsers upon certain mortgage bonds of the Allegheny Valley Railroad Company, and your Company was a large shareholder in the same. The practical effect of this arrangement is to give to the three Companies joining in it, ninety per cent. of the earnings on all freight traffic to and from the Allegheny Valley Railroad, in cash, which yields a fair profit, and the remaining profit of ten per cent. in income bonds of the Allegheny Valley Railroad Company in lieu of that amount of cash, which ten per cent. is, as above stated, to be set apart to aid that Company to pay the interest on its bonds given to the other creditors, with the further condition that, if any portion of this ten per cent. shall not be required to pay said interest, it shall be invested annually by the Trustees in said bonds at the lowest current market values—each Company receiving the bonds so purchased, in proportion to its contribution.

The Low Grade Road forming part of the Allegheny Valley Line, and connecting with the Philadelphia and Erie Railroad at Driftwood Station, was opened for business June 1, 1874. This Line will develop a large coal, lumber and oil traffic, which will add materially to the revenues of the Allegheny Valley, and also of the Philadelphia and Erie Railroad, as it passes over about 120 miles of that Road before reaching Sunbury, and thence by the Northern Central and Pennsylvania Railroads to Baltimore and Philadelphia. The Philadelphia and Erie Railroad, as appears by the results of the year's operation, shows larger net earnings than ever before during its history, notwithstanding the year has been one of great depression, and the fact that its average receipts per ton per mile have been but  $\frac{941}{1000}$  of a cent, or less than one cent per ton per mile upon all its freight business.

It is believed that the traffic in coal, lumber, oil and other products, that will seek a market over the Philadelphia and Erie Railroad, together with the business to and from the lakes, though carried at very low rates, and that furnished by the local resources of the country which are now being developed, will ultimately make this property of considerable value. It is proposed to keep the construction or capital account of the Philadelphia and Erie Railroad Company within the lowest possible limits, so long as the capacity of the Line exceeds the requirements of the traffic.

During the Summer of 1874 a meeting of officers connected with the three trunk lines, the New York Central, the Erie, and the Pennsylvania Railroads, and their western connections, was held at Saratoga, with the view of endeavoring to abolish all commissions, agencies and outside expenses, and thus effect valuable economies for all the lines; and with the further object of establishing a commission to be composed of three gentlemen familiar with railway traffic, but disinterested and in no way officially connected with either of the

Companies; this commission to have power to make such moderate rates from time to time as would be reasonable and just to the public, and give in the future equal and uniform rates to every shipper. The Commissioners selected for that purpose have promptly performed the duties assigned them, and with strict impartiality as between the parties.

This arrangement promised good results to both the public and the Companies. The Officers of the Baltimore and Ohio Railroad Company, while declining to name a Commissioner and enter into the arrangement, did agree that they would abolish all commissions, drawbacks and agencies of every kind and that the rates so made from time to time should be thoroughly adhered to by all their officers and agents. With the adoption of this conservative policy there can be no question as to its beneficial results to shippers and transporters, and perhaps no better evidence can be given of the purpose of your Company to give its patrons, through the Commissioners, the most complete facilities at low rates, than the fact already stated in this report that its average rate of  $1\frac{25.5}{1000}$  cents per ton per mile for moving traffic in 1874, including all classes of freight, through and local, east and west, was much below any previous charge for like services; while the average rate on east bound through freight traffic, which covers the transportation of the produce of the West, including live stock and property of the higher classes, was but  $\frac{88.3}{1000}$  of one cent. per ton per mile.

Not unlike many other proper reforms, the one referred to has had many difficulties to contend with, and since the beginning of the year some differences have occurred between the Baltimore and Ohio and the other Companies. It is to be hoped however that with a thorough understanding of everything pertaining to this question, proper results may be arrived at, and the Companies conduct their business with that harmony which should at all times prevail.

Your Company having secured lines and extensive terminal facilities at Philadelphia and New York and, through roads controlled by it, at Baltimore and Washington, in the east; the control of roads to Erie, Ashtabula and Toledo, on Lake Erie, with good connecting roads working in harmony to Buffalo; and the control of lines through the lumber region of Michigan; and in the west having termini at Chicago, St. Louis, Louisville, Cincinnati, Wheeling and other important commercial centres, with good connections beyond those points; and having also perfected communications with the entire oil region of Pennsylvania, the Connellsville coke region, the city of Cumberland and the Cumberland coal region; and with Frederick and Hagerstown in Maryland, and Martinsburg in West Virginia—your Board have concluded to adopt as a general policy that no further extension of lines should be made or obligations be assumed by your Company, either by lease or otherwise, except to complete the several small branches and extensions now in progress in Pennsylvania and New Jersey. The best energies of your Board and its officers will hereafter be devoted to the development of the resources of the lines now controlled. They believe these lines have a great future for the shareholders. Your Board have no hesitation in stating that the properties of the Company are abundantly able to take care of their obligations and make good results for the stockholders.

The reports of Mr. F. Thomson, General Manager, and Mr. R. W. Downing, Comptroller, will be published in pamphlet form for the information of the shareholders, from which the receipts and expenditures of the Company and all the details and data connected with the management and operation of the Lines can be obtained.

In addition to the elevators and other large facilities that existed at the port of Philadelphia, there have been completed during the

year 1874 the large elevators and warehouses of the International Navigation Company at Girard Point, at the junction of the Schuylkill and Delaware Rivers. It is estimated that this extensive property has a capacity of handling and transferring at least fifteen millions of bushels of grain per annum, while the warehouses and platforms will accommodate a large amount of rolling freight to and from the ocean steamers and other vessels arriving at and departing from this Port, at the minimum cost of doing such work. In this connection it may be proper to state that the foreign trade drawn to Philadelphia for shipment to Europe has greatly exceeded the capacity of the lines of steamers to Liverpool and the line to Antwerp, while the return traffic from Europe has given the lines of your Company a large amount of transportation to the West including a greatly increased emigrant business through this Port.

Additional facilities of great value to the commerce of Philadelphia now exist. Among these may be noticed the Philadelphia Warehouse Company, with a paid up capital of one million of dollars, the business of which is to make advances on warehouse receipts for property stored with any responsible house in the City of Philadelphia. Also the Pennsylvania Warehousing Company, which has provided extensive buildings during the present year intended for general warehouse and storage purposes, including the storage of Government bonded merchandise, and that will be connected by their own tracks with the railways of your Company. It is the business of that Company also to issue warehouse receipts and make advances on property stored.

The arrangements for receiving, handling, storing and shipping petroleum on the Schuylkill and Delaware River fronts are perhaps more extensive than those of any other city in this country.

With the facilities referred to, and other important ones, it will be seen that Philadelphia in connection with her extensive trans-



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portation facilities, offers great inducements for the storage and handling of all classes of property at the lowest possible cost.

Your Company has provided wharves and other accommodations on its own property at Greenwich Point on the Delaware River front, sufficient to meet the requirements of the trade in bituminous and anthracite coal shipped over its lines. Hereafter all such traffic seeking transshipment at Philadelphia will be brought over your own roads. Arrangements have been made to place upon your line in addition to the present large equipment, one thousand eight-wheeled coal cars of fourteen gross tons capacity each, which will add greatly to the facilities for this branch of traffic. Your Company has also erected a large and commodious freight depot on Delaware Avenue, extending from Walnut to Dock Streets in the City of Philadelphia, which is accessible by steam power. This will prove to be of great value to merchants and shippers.

It is important to the commerce of Philadelphia that prompt action be taken by the Government for the better lighting of the river Delaware, and also that facilities be furnished by experienced parties for the dockage of the largest class of vessels needing repairs; both of these important matters we expect to see commenced and to a large degree accomplished within the current year.

The Centennial Exposition for 1876 promises to exceed the anticipations of its most sanguine friends. To meet the large additional traffic which it is believed will pass over your lines, your Company will, during the current year, lay an extensive system of tracks in connection with the Centennial grounds and buildings, and provide such other facilities as will enable it to promptly handle both the freight and passenger business that may come either entirely over its own roads or reach the grounds over its tracks from other lines centering in Philadelphia.

During the year 1874, the new passenger station at Jersey City was completed, and the ferry landings and other facilities improved. At Harsimus Cove in the same City the facilities for receiving and forwarding freight have been greatly extended, and your new railway to connect with the Harsimus Cove property has been opened for use through a portion of Bergen Hill from its connection with the Main Line. In New York City extensive additions were also made to your Company's wharves and warehouses, so that the accommodations at this important terminus of your New Jersey lines and other lines connecting with them are now ample for a largely increased passenger and freight business—still leaving sufficient property at Jersey City to meet the possible requirements of all your lines for many years to come. The extensive shops and accessories for your New Jersey lines at “the meadows” near Jersey City have also been completed.

Much important work has been done at and near the City of Pittsburgh to improve the facilities of your lines. Four tracks are being laid from Pittsburgh to East Liberty, a distance of about five miles, and the work of erecting the bridges over the road—under a contract with the City of Pittsburgh made several years since—has been commenced and will be steadily prosecuted to completion. These bridges will relieve your line from a number of street crossings at grade; thus adding greatly to the safety of the public using the streets, and your lines, and also giving your trains full speed to and from the depot in Pittsburgh through that portion of it which is now becoming thickly populated.

Four tracks for your Main Line are now being completed from West Philadelphia to Overbrook, a distance of about five miles. An extensive system of side tracks from Hestonville eastward has been laid during the year, and will be extended from time to time as may be required to meet the increasing business of your Company



at Philadelphia. These short sections of four tracks for your Main Line out of Pittsburgh and Philadelphia will give great facilities for arriving and departing trains—thus enabling the Managers to move your heavy freight traffic without causing delay to passenger trains at these terminal stations.

The stockholders at their annual meeting March 10, 1874, authorized his Honor the Mayor of the City of Philadelphia, as Chairman of the meeting, to appoint a committee of seven shareholders entirely disconnected from the management and operation of your Company, to examine the report for 1873, and to examine into the condition of the Company, and make an appraisal of the value of the roads, shops, machinery, real estate, depots, bonds, stocks and all other assets of the Company; also as to its liabilities and obligations, including guarantees for other Lines, with the sources of revenue to meet the same; also its contracts and relations with other companies and parties of every kind, and report the result of their examination to the shareholders.

In accordance with this authority, the chairman appointed the following committee :

Mr. William A. Stokes, as Chairman.

Mr. William H. Kemble,

Mr. A. Loudon Snowden,

Mr. W. C. Longstreth,

Mr. John A. Wright,

} of Philadelphia.

Mr. D. E. Small, of York, Pennsylvania, and

Mr. J. S. Irick, of New Jersey.

The Committee so appointed made a thorough examination of everything committed to their charge, including the books, leases, contracts and records of every nature and kind; and having visited the Roads and Properties of your Company, finally made a report to a special meeting of the Shareholders called by the Chairman of the Committee, and held October 3, 1874.

This report, covering 240 pages of closely printed matter, gives the shareholders in detail all possible information in regard to the condition of the Company and the values of its property. It is perhaps the most complete and exhaustive report that has ever been made to the shareholders of any company. The Committee are entitled to great credit for the zeal and ability with which they discharged the duties entrusted to them. Many of their recommendations have been carried into effect, and all others that may be found of practical advantage to the Company will from time to time be adopted by your Board of Directors.

The total expenses incurred by the Committee have been paid by your Board, which, including the printing of the report and accompanying maps, the publication through the press of abstracts for the information of the stockholders, and incidentals, have amounted to \$27,232.50.

Mr. J. Edgar Thomson, who was identified with this corporation for more than twenty-seven years, first as its Chief Engineer, and then as its President, died on the 27th day of May, 1874. The evidences of the value of his services to this Company and to the railway system of America, are the enduring monuments that he has left in the permanent works with which he was connected during nearly the whole of his life. With this report will be found the preamble and resolutions adopted by your Board at the time of Mr. Thomson's death, showing the appreciation in which he was held by his associates in the management of your Company.

The death of Mr. Thomson rendered it necessary to make a reorganization of your Company, and your Board elected Mr. Thomas A. Scott, President, Mr. George B. Roberts, First Vice President, Mr. Edmund Smith formerly Treasurer of the Company, Second Vice President Mr. A. J. Cassatt formerly General Manager, Third

Vice President, Mr. Frank Thomson formerly Superintendent of Motive Power and Machinery, General Manager, and Mr. Strickland Kneass and Mr. John P. Green, Assistants to the President; Mr. T. N. Ely was selected as Superintendent of Motive Power and Machinery, to fill the vacancy caused by the promotion of Mr. Thomson; and Mr. W. H. Wilson, Consulting Engineer, placed in charge of the Real Estate of the Company; and Mr. Bayard Butler, formerly Assistant Treasurer, elected Treasurer. Under this reorganization the business of your Company is now conducted.

Your Board are glad to announce to the shareholders that their property has been maintained in the best possible condition, and that the roadway, equipment and all other facilities of the Line have been kept up to the highest standard. Your Board also take great pleasure in expressing their acknowledgments to the officers, agents and employees in every branch of the service, for the efficient and economical manner in which the business of the Company has been conducted during the past year.

All of which is respectfully submitted :

By order of the Board.

THOMAS A. SCOTT,

*President.*



# **The Pennsylvania Railroad Company,**

**233 SOUTH FOURTH STREET.**

*Philadelphia, May 29, 1874.*

A Special Meeting of the Board of Directors of the PENNSYLVANIA RAILROAD COMPANY was held at the Office of the Company, at 12 o'clock, M., this day; when the following resolutions were unanimously adopted:

*Resolved*, That it be entered upon the minutes of this Corporation—1st, That JOHN EDGAR THOMSON, its President, died at his residence in Philadelphia, at twenty minutes before twelve o'clock, of the evening of Wednesday, May 27, 1874.

2d, That the association, thus severed by death, began in 1847, within one year after the incorporation of the Company, with his election to the office of Chief Engineer, and the location and construction of its main line of railway, in which his marvellous engineering skill, and the ability with which he discharged important duties, attested his title to rank with the great Civil Engineers of the age.

3d, That it was continued by his election in 1852 to the office of President, which he continued to hold by successive annual re-election until his death, developing the business relations of the Company from feeble beginnings to their present importance, with a breadth of view, an excellence of judgment, a financial sagacity, a profound comprehension of the laws of trade and, above all, a pure, lofty and spotless integrity and dignity of character, which, while they won for him the absolute confidence of the whole country, have entitled him to a place among the foremost of the men whose wisdom, character and public services have so largely contributed to our National growth and prosperity.

*Resolved*, That in the death of Mr. THOMSON, not only this Corporation, but our city, our state and the whole country have lost an eminent public servant and benefactor, whose memory should be always cherished and honored.

*Resolved*, That we will attend the funeral of our late President, wearing the usual badge of mourning; and that the proper officer of the Company direct every usual and proper mark of respect to be shown Mr. THOMSON'S memory, in the several departments of the Company's service.

*Resolved*, That we tender to the family of Mr. Thomson, an expression of our great respect and sincere sympathy, praying that in addition to the comfort derived from the recollection of his public life and services, they may have abundantly those higher consolations which are not of earth.

*Resolved*, That the Secretary of the Company prepare and furnish to the family of Mr. Thomson, a duly certified copy of these resolutions, and have the same published in the daily journals of this city.

By order of the Board,

JOSEPH LESLEY, *Secretary.*

To Capital Stock.....	\$68,719,400	00
To First Mortgage Bonds due 1880.....	\$4,970,000	00
“ Second “ “ 1875.....	4,835,840	00
“ General “ “ 1910.....	19,934,760	00
“ Consol'd “ “ 1905.....	14,550,000	00
“ Lien of the State upon the Public Works between Philadelphia and Pittsburgh, bearing 5 per cent. interest, payable in annual instalments of \$460,000, applicable first to the interest, and the remainder to principal, the original amount of which was \$7,500,000 00 .....	5,201,675	41
“ Mortgages and Ground Rents at 6 per cent. remaining on Real Estate purchased.....	91,809	32
	49,587,081	73
“ Bills payable.....	4,140,000	00
“ Accounts payable, viz.:		
Passenger balances due other Roads.....	323,127	93
Pay Rolls and Vouchers for December, 1874, paid in January, 1875.....	2,308,102	23
Cash Dividend due to Stockholders, unpaid.....	238,735	23
Dividend Scrip of December 6, 1873, outstanding,	2,206,406	66
Sundry Accounts due other Roads.....	2,190,683	33
	7,267,055	38
“ Appraised Value of Securities owned by the United New Jersey Railroad and Canal Company, and transferred with the Lease of the Works of that Company.....	3,900,434	60
“ Amount of Fuel and Materials, for repairs to Locomotives, Cars, and Maintenance of Way, owned by the United New Jersey Railroad and Canal Company, and transferred with the Lease of the Works of that Company.....	354,658	53
“ Equipment of Road owned by the United New Jersey Railroad and Canal Company, and transferred with the Lease of the Works of that Company .....	4,898,121	19
“ Contingent Fund.....	2,000,000	00
“ Balance to credit of Profit and Loss .....	9,021,643	16
	\$149,888,397	59



By Balance standing on Books of the Company for the Construction of the Railroad between Harrisburg and Pittsburgh, including Branches to Indiana, Hollidaysburg and Morrison's Cove, also Branch to connect with the Pittsburgh, Virginia, and Charleston Railroad; also, Bridge over the Susquehanna River at Columbia, and Branch from Columbia to York, in all 325 miles, and cost of Stations, Warehouses and Shops, on the whole Road from Philadelphia to Pittsburgh.....	\$21,989,368	38
" Balance standing on Books of the Company for the purchase of the Philadelphia and Columbia R. R....	5,375,733	43
" Balance to debit of Equipment of Road consisting of 882 Locomotives, 394 Passenger Cars, 154 Baggage, Mail, and Express Cars, 16,849 Freight Cars, and 1,367 Road Cars—including Shop Machinery.....	16,188,201	29
" Cost of Real Estate of Company and Telegraph Line	6,831,366	82
" Extension of the Pennsylvania Railroad to the Delaware River, including Wharves and Grain Elevator.....	2,003,177	07
Total amount charged to Construction, Equipment, and Real Estate Accounts for the Railroad between Philadelphia and Pittsburgh, comprising 1,044 $\frac{1}{2}$ miles of Single Track, including Sidings, Stations, Warehouses, Shops and Shop Machinery, which cost in Cash, exceeding \$52,750,000, with Rolling Stock estimated to be worth in Cash \$21,000,000; also, the Real Estate of a present estimated value of \$12,250,000, amounting in all to over \$86,000,000.....	\$52,387,846	99
OTHER ASSETS.		
By Amount of Bonds of Railroad Corporations.....	24,951,916	80
" " Capital Stock of Railroad Corporations,	32,821,953	60
" " Bonds and Stock of Municipal Corporations, Coal Companies, Canal Companies and Bridge Companies, and investments not otherwise enumerated.....	8,453,698	38
" Cost of Bonds representing Insurance Fund.....	315,000	00
" " " Contingent Fund.....	2,000,000	00
Total Cost of Bonds and Stocks belonging to the Company.....	68,542,568	78
By Amount expended for the purchase of Anthracite Coal Lands, Hazleton, Hamilton, Eastwick, and other Tracts.....	840,621	51
" Appraised Value of Securities owned by the United New Jersey Railroad and Canal Company, and transferred with the Lease of the Works of that Company.....	3,900,434	60
" Equipment of Road owned by the United New Jersey Railroad and Canal Company, and transferred with the Lease of the Works of that Company .....	4,898,121	19
" Amount of Fuel and Materials on hand for repairs to Locomotives, Cars, and Maintenance of Way, viz.: For the Pennsylvania Railroad.....	\$2,722,864	44
" " United New Jersey R. R. & Canal....	877,466	79
" " Philadelphia and Erie Railroad.....	422,518	20
	4,022,849	43
" Amount of Bills and Accounts Receivable and amounts due from other Roads, including advances made to Railroad Corporations for Construction and purchase of Equipment used on their Lines, viz.: Northern Central Railway Company.....	412,029	76
Philadelphia and Erie Railroad Company.....	1,378,189	77
United N. J. R. R. & Canal Co.—Construction,	593,184	74
" " Sink'g F'nd & Redempt'n,	788,230	00
" " Harsimus Cove.....	242,931	08
" " Real Estate.....	384,165	50
Other Companies.....	7,367,368	14
By Balance in hands of Agents.....	11,166,098	99
" Balance in hands of Treasurer.....	1,631,185	69
	2,498,670	41
	\$149,888,397	59

# LIST OF BONDS

OWNED BY

## THE PENNSYLVANIA RAILROAD COMPANY

December 31, 1874.

NAME OF SECURITY.	No. of BONDS.		PAR VALUE.
Alexandria & Fredericksburg Railway 1st Mtge. Bonds, 7 per cent. gold.....	512	\$1,000	\$512,000
Allegheny Valley R. R. 1st Mtge. Bonds, 7 per cent.....	200	1,000	200,000
Allegheny Valley Railroad Funded Debt Bonds, 7 per cent...	1,100	1,000	1,100,000
Bald Eagle Valley Railroad 2d Mtge. Bonds, 7 per cent.....	100	1,000	100,000
Belvidere Delaware Railroad 3d Mtge. Bonds, 6 per cent....	151	500	225,500
Baltimore & Potomac Railroad 2d Mtge. Income Bonds, 6 per cent.....	1,133	1,000	1,133,000
Bedford & Bridgeport R. R. 1st Mtge. Bonds, 7 per cent.....	1,000	1,000	1,000,000
Central Stock Yard & Transit Co. Bonds, 7 per cent.....	300	1,000	300,000
Cincinnati & Muskingum Valley R. R., 1st Mtge. Bonds, 7 per cent.....	752	1,000	752,000
Columbia & Port Deposit R. R. 1st Mtge. Bonds, 7 per cent..	1,230	1,000	1,230,000
Columbus, Chicago & Indiana Central R. W. 2d Mtge. Bonds, \$5,000,000 Loan, 7 per cent.....	1,258	1,000	1,258,000
Columbus, Chicago & Indiana Central R. W. 2d Mtge. Bonds, \$10,000,000 Loan, 7 per cent .....	3,504	1,000	3,504,000
County of Clark, Illinois, Bonds, 8 per cent.....	15	1,000	15,000
Danville, Hazleton & Wilkesbarre R. R. 1st Mtge. Bonds, 7 per cent.....	173 134 120	1,000 500 200	261,000
East Brandywine & Waynesburg R. R. 1st Mtge. Bonds, 7 per cent.....	44 909	500 100	
East Brandywine & Waynesburg R. R., New Holland Extension, Bonds, 7 per cent.....	114	100	11,400
Erie & Pittsburgh R. R. Bonds, Equipment Loan, 7 per cent.	200	1,000	200,000
Huntingdon & Broad Top Railroad and Coal Company Consolidated Mortgage Bonds, 7 per cent.....	7	1,000	7,000
Indianapolis & St. Louis R. R. 1st Mtge. Bonds, 7 per cent...	440	1,000	440,000
“ “ “ Equipment “ “	50	1,000	50,000
International Navigation Co. 1st Mtge. Bonds, 7 per cent....	1,200	1,000	1,200,000
Jersey City & Bergen R. R. 1st Mtge. Bonds, 7 per cent.....	563	1,000	563,000
Lawrence R. R. 1st Mtge. Bonds, 7 per cent.....	9	1,000	9,000
Lewisburg Centre & Spruce Creek R. R. 1st Mtge. Bonds, 7 per cent.....	1,500	1,000	1,500,000
Mifflin & Centre Co. R. R. 1st Mtge. Bonds, 6 per cent.....	100 200	1,000 500	200,000
Mississippi Central Railroad Income and Equipment Bonds, 7 per cent. gold.....	1,550	1,000	
Newport & Cincinnati Bridge Bonds, 7 per cent..	1,200	1,000	1,200,000
Northern Central Railway Income Bonds, 7 per cent.....	1,000	1,000	1,000,000
Pennsylvania Canal Bonds, 6 per cent.....	467	1,000	467,000
Amount carried forward.....			\$20,103,800



NAME OF SECURITY—CONTINUED.	NO. OF BONDS.		PAR VALUE.
Amount brought forward.....			\$20,103,800
Pennsylvania Company 1st Mtge. Bonds, 7 per cent. gold....	6,722	1,000	6,722,000
Pennsylvania Railroad 1st Mtge. Bonds, 6 per cent.....	3	1,000	3,000
“ “ 2d “ “ .....	1	1,000	1,000
Perth Amboy & Woodbridge Railroad 1st Mtge. Bonds, 7 per cent.....	100	1,000	100,000
Philadelphia & Erie Railroad Bond, 6 per cent. currency....	1	1,000	1,000
“ “ General Mtge. Bonds, 6 per cent. gold.....	2,323	1,000	2,323,000
Philadelphia, Newtown & New York Railroad 1st Mtge. Bonds, 7 per cent.....	400	1,000	400,000
Pittsburgh, Cincinnati & St. Louis R. W. Bonds, Consolidated Mtge. 7 per cent.....	293	1,000	293,000
Pittsburgh, Virginia & Charleston R. R. 1st Mtge. Bonds, 7 per cent. gold.....	668	1,000	668,000
Pullman's Palace Car Co. Bonds, 8 per cent.....	670	1,000	670,000
Richmond & Danville Railroad Consolidated Mtge. Bonds, 6 per cent. gold.....	1,000	1,000	1,000,000
Shamokin Valley & Pottsville Railroad 1st Mtge. Bonds, 7 per cent. gold.....	{ 929 180 }	{ 1,000 500 }	1,019,000
South Mountain Iron Company 2d Mtge. Bonds, 7 per cent. {	{ 2 8 }	{ 1,000 500 }	6,000
Schuylkill Navigation Boat & Car Loan Bonds, 7 per cent.....			100,000
South West Pennsylvania Railway 1st Mtge. Bonds, 7 per ct.	800	1,000	800,000
Steubenville & Indiana Railroad Bonds, 7 per cent.....	278	1,000	278,000
St. Louis, Vandalia & Terre Haute Railroad 2d Mtge. Convertible Bonds, 7 per cent.....	225	1,000	225,000
Summit Branch Railroad 1st Mtge. Bonds, 7 per cent.....	110	1,000	110,000
Susquehanna Coal Company Bonds, 6 per cent.....	717	1,000	717,000
Toledo, Tiffin & Eastern R. R. 1st Mtge. Bonds, 7 per ct. gold.	861	1,000	861,000
Warren and Franklin R. R. 1st Mtge. Bonds, 7 per cent.....	{ 246 211 }	{ 1,000 500 }	351,500
Western Pennsylvania R. R. General Mtge. Bonds, 7 per ct.	1,200	1,000	1,200,000
“ “ 1st Mtge. Bonds, 6 per cent.....	10	1,000	10,000
“ “ Branch Bonds, 6 per cent.....	{ 138 85 }	{ 1,000 500 }	203,000
TOTAL.....			\$38,165,300

# LIST OF STOCKS

OWNED BY

## THE PENNSYLVANIA RAILROAD COMPANY

December 31, 1874.

NUMBER OF SHARES.	NAME OF SECURITY.		PAR VALUE.
25,000	Allegheny Valley Railroad Company Stock.....	50	\$1,250,000
4,000	American Steamship Company Stock.....	100	400,000
3,682	Bald Eagle Valley Railroad Company Stock.....	50	184,100
60,852	Baltimore and Potomac Railroad Company Stock.....	50	3,042,600
6,179	Bedford and Bridgeport Railroad Company Stock.....	50	308,950
6,500	Chartiers Railway Company Stock.....	50	325,000
22,000	Cleveland, Mount Vernon and Delaware Railroad Company, Common Stock.....	50	1,100,000
9,029	Cleveland, Mount Vernon and Delaware Railroad Company, Preferred Stock.....	50	451,450
25,544	Connecting Railway Company Stock.....	50	1,277,200
5,286	Cresson Springs Company Stock.....	25	132,150
4,744	Cumberland Valley Railroad Company, Preferred Stock.....	50	237,200
19,516	" " Common Stock.....	50	975,800
15,254	Harrisburg and Lancaster Railroad Company Stock. ....	50	762,700
1,133	Junction Railroad Company Stock.....	50	56,650
19,217	Jefferson, Madison and Indianapolis Railroad Company Stock...	100	1,921,700
5,624	Little Miami Railroad Company Stock.....	50	281,200
3,759	Louisville Bridge Company Stock.....	100	375,900
9,276	Newport and Cincinnati Bridge Company, Preferred Stock.....	100	927,600
7,675	" " " Common Stock.....	100	767,500
48,420	Northern Central Railway Company Stock.....	50	2,421,000
70,231	Pennsylvania Canal Company Stock.....	50	3,511,550
160,000	Pennsylvania Company, Preferred Stock.....	50	8,000,000
60,000	" " Common Stock.....	50	3,000,000
46,984	Pennsylvania Railroad Company Stock.....	50	2,349,200
7,137	Pennsylvania Steel Company Stock.....	100	713,700
31,636	Philadelphia and Erie Railroad Company, Common Stock.....	50	1,581,800
48,000	" " " Preferred Stock.....	50	2,400,000
250	Philadelphia and Merion Railroad Co., Stock, First Instalment..	.....	1,200
80	Philadelphia and Southern Mail Steamship Company Stock.....	125	10,000
60,000	Pittsburgh, Cincinnati and St. Louis Railway Company, Pre- ferred Stock.....	50	3,000,000
11,600	Pittsburgh, Fort Wayne and Chicago Railway Company, Special Guaranteed Stock.....	100	1,160,000
51	Pittsburgh, Fort Wayne and Chicago Railway Co., Common Stock	100	5,000
8,100	Pittsburgh, Virginia and Charleston Railway Company Stock...	50	405,000
1,000	Pullman Palace Car Company Stock.....	100	100,000
12	Railway Equipment Trust of Pennsylvania Stock.....	1,000	12,000
39,802	Shamokin Coal Company Stock.....	25	995,050
6,019	South West Pennsylvania Railway Company Stock.....	50	300,950
	Amount carried forward.....	.....	\$44,744,300

NUMBER OF SHARES.	NAME OF SECURITY—CONTINUED.	PAR VALUE.
	Amount brought forward.....	\$44,744,300
8,000	Southern Pennsylvania Railway and Mining Company Stock....	50 400,000
8,370	St. Louis, Vandalia and Terre Haute Railroad Company, First Preferred Stock.....	100 837,000
43,804	Summit Branch Railroad Company Stock.....	50 2 190,200
13,000	Susquehanna Coal Company Stock.....	100 1,300,000
19,976	Tyrone and Clearfield Railway Company Stock.....	50 998,800
9,000	United New Jersey Railroad and Canal Company Stock.....	100 900,000
19,786	Western Pennsylvania Railroad Company Stock.....	50 989,300
1,551	West Jersey Railroad Company Stock, on which \$35.00 per share was paid.....	54,285
5,000	Centennial Board of Finance Stock.....	10 50,000
	TOTAL.....	\$52,463,885

### SUMMARY.

Par Value of Bonds.....	\$38,165,300
Par Value of Stocks.....	52,463,885
TOTAL.....	\$90,629,185
Cost as per General Account....	\$68,542,568 78





